

Honolulu, Hawaii

FEB 20 2015

RE: S.B. No. 1089
S.D. 1

Honorable Donna Mercado Kim
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Madam:

Your Committee on Judiciary and Labor, to which was referred
S.B. No. 1089 entitled:

"A BILL FOR AN ACT RELATING TO THE EMPLOYEES' RETIREMENT
SYSTEM,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Amend section 78-25, Hawaii Revised Statutes, to require employees receiving workers' compensation benefits to deduct retirement contributions from benefits received; and
- (2) Provide for actuarially neutral cost for the acquisition by members of the Employees' Retirement System of membership service credit for previous service and for previous military service and to establish deadlines for:
 - (A) New members of the Contributory and Hybrid plans of the Employees' Retirement System to claim membership services credit for previous service and for previous military service; and
 - (B) Members to initiate payment for previous service, previous military service, and unpaid leave.



Your Committee received testimony in support of this measure from the Department of Budget and Finance and the Employees' Retirement System.

Your Committee finds that this Administration-sponsored measure helps to reduce the Employees' Retirement System's unfunded actuarial accrued liability; however, your Committee expresses concern over the potential negative impact this measure may have on the rehabilitative efforts of the workers' compensation system.

Your Committee has amended this measure by:

- (1) Inserting an effective date of January 7, 2059, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1089, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1089, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Judiciary and
Labor,



GILBERT S.C. KEITH-AGARAN, Chair



The Senate
Twenty-Eighth Legislature
State of Hawai'i

Record of Votes
Committee on Judiciary and Labor
JDL

Bill / Resolution No.:* <div style="font-size: 1.2em; font-family: cursive;">SB1089</div>	Committee Referral: <div style="font-size: 1.2em; font-family: cursive;">JDL, WAM</div>	Date: <div style="font-size: 1.2em; font-family: cursive;">2/17/15</div>		
<div><input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____</div>				
The Recommendation is: <div style="display: flex; justify-content: space-between; align-items: flex-start;"><div><input type="checkbox"/> Pass, unamended 2312</div><div><input checked="" type="checkbox"/> Pass, with amendments 2311</div><div><input type="checkbox"/> Hold 2310</div><div><input type="checkbox"/> Recommit 2313</div></div>				
Members	Aye	Aye (WR)	Nay	Excused
KEITH-AGARAN, Gilbert S.C. (C)	/			
SHIMABUKURO, Maile S.L. (VC)	/			
ESPERO, Will	/			
GABBARD, Mike	/			
IHARA, Jr., Les	/			
THIELEN, Laura H.	/			
SLOM, Sam	/			
TOTAL	7			
Recommendation: <div style="display: flex; justify-content: space-around; align-items: center;"><div><input checked="" type="checkbox"/> Adopted</div><div><input type="checkbox"/> Not Adopted</div></div>				
Chair's or Designee's Signature: <div style="font-size: 1.5em; font-family: cursive; text-align: center;">[Signature]</div>				
Distribution: <div style="display: flex; justify-content: space-between; font-size: 0.8em;"><div>Original File with Committee Report</div><div>Yellow Clerk's Office</div><div>Pink Drafting Agency</div><div>Goldenrod Committee File Copy</div></div>				

*Only one measure per Record of Votes